

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
)

Second Application by BellSouth)
Corporation, BellSouth Telecommunications,)
Inc., and BellSouth Long Distance, Inc., for)
Provision of In-Region, InterLATA Services)
in Louisiana)
_____)

CC Docket No. 98-121

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

APPENDIX TO COMMENTS OF AT&T CORP.
IN OPPOSITION TO BELL SOUTH'S SECOND
SECTION 271 APPLICATION FOR LOUISIANA

VOLUME V

Affidavit of Robert V. Falcone
Attachments 3 - 30

Filed August 4, 1998

**APPENDIX TO COMMENTS OF AT&T CORP.
IN OPPOSITION TO BELLSOUTH'S SECOND
SECTION 271 APPLICATION FOR LOUISIANA**

CC Docket No. 98-121

TAB	AFFIANT	SUBJECT(S) COVERED	RELEVANT STATUTORY PROVISIONS
A	Michelle Augier	AT&T Market Entry	§ 271(c)(1)(A), (c)(2)(B), (d)(3)
B	*William J. Baumol	Public Interest	§ 271(d)(3)(C)
C	*Robert H. Bork	Public Interest	§ 271(d)(3)(C)
D	Jay M. Bradbury	Operations Support Systems, Directory Listing, Number Portability, Resale	§ 271(c)(2)(B)(ii), (vi), (viii), (xi), and (xiv)
E	Robert V. Falcone	Unbundled Network Elements: Combinations	§ 271(c)(2)(B)(i), (ii), (v) and (vi)
F	Gregory R. Follensbee	Unbundled Network Elements: Pricing	§ 271(c)(2)(B)(i), (ii)
G	John M. Hamman	Unbundled Switching, Intellectual Property, Reciprocal Compensation	§ 271(c)(2)(B)(ii), (vi) and (xiii)
H	Donna Hassebrock	ADL, Interconnection, Operations Support Systems, Directory Listings, Number Portability	§ 271(c)(2)(B)(i), (ii), (viii) and (xi)
I	R. Glenn Hubbard and William H. Lehr	Public Interest	§ 271(d)(3)(C)
J	Patricia A. McFarland	Section 272 Compliance	§ 271(d)(3)(B)
K	Philip I. Miller and Dean A. Gropper	Public Interest - ILEC Ability to Harm Competition	§ 271(d)(3)(C)
L	Sharon Norris	Louisiana Public Service Commission Proceedings on Operations Support Systems	§ 271(c)(2)(B)(ii)

TAB	AFFIANT	SUBJECT(S) COVERED	RELEVANT STATUTORY PROVISIONS
M	C. Michael Pfau and Katherine M. Dailey	Performance Measurements	§ 271(c)(2)(B)(i), (ii) and (xiv)
N	Jordan Roderick	PCS	§ 271(c)(1)(A), (d)(3)

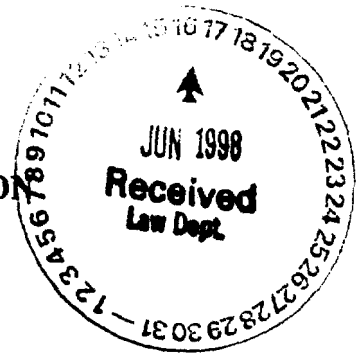
* Affidavits marked with this are as originally filed in CC Docket No. 97-231

MISCELLANEOUS APPENDIX

TAB	DESCRIPTION
O	Order, <u>AT&T Communications of the Southern States, Inc. v. BellSouth Telecommunications, Inc.</u> , No. 5:97-CV-405-BR (Eastern District of North Carolina, Western Division May 22, 1998)
P	Recommended Decision, Pennsylvania Public Utility Commission, <u>Petition of Bell Atlantic - Pennsylvania, Inc. For a Determination of Whether the Provision of Business Telecommunications Services is Competitive Under Chapter 30 of the Public Utility Code</u> , Docket No. P-00971307 (July 24, 1998)

ATTACHMENT 3

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION



In the Matter of:

Consideration of BellSouth Telecommunications,)
Inc.'s Entry into InterLATA Services Pursuant to)
Section 271 of the)
Telecommunications Act of 1996)
_____)

Docket No. 6863-U

**NEXTLINK GEORGIA, INC.'S COMMENTS ON BELL SOUTH'S
NOTICE OF INTENT TO FILE AN APPLICATION WITH THE
FEDERAL COMMUNICATIONS COMMISSION FOR
AUTHORIZATION TO PROVIDE INTERLATA SERVICES IN
GEORGIA**

Dated: June 15, 1998

INTRODUCTION

NEXTLINK Georgia, Inc. ("NEXTLINK Georgia") is a facilities-based competitive local exchange carrier ("CLEC") poised to enter the Atlanta, Georgia market before the end of this year. NEXTLINK Georgia has been certified to provide CLEC service within the state and is in the final stages of negotiating an interconnection agreement with BellSouth Telecommunications, Inc. ("BellSouth"). The company plans to begin offering service to a test group of business customers in July, 1998.¹

While NEXTLINK Georgia is a newcomer to the Georgia marketplace, NEXTLINK Georgia's affiliate, NEXTLINK Tennessee, L.L.C. ("NEXTLINK Tennessee") has been competing against BellSouth in the Nashville, TN and Memphis, TN markets since 1996. Both NEXTLINK Georgia and NEXTLINK Tennessee are subsidiaries of NEXTLINK Communications, Inc. ("NEXTLINK"), a nationwide provider of facilities-based telecommunications services. In July 1996, NEXTLINK became one of the first CLECs in the United States to provide facilities-based switched local services. NEXTLINK has invested several hundred million dollars in developing its networks. NEXTLINK now has more than 1,000 employees across the country and serves more than 50,000 access lines in its markets across the United States. NEXTLINK currently operates 16 high-capacity fiber optic networks that provide switched, local, and long-distance services in 27 markets in nine states.

¹ NEXTLINK Georgia responded last week to the Commission's Local Service Indicators Data Requests pursuant to the Commission's "Supplemental Order Regarding Interim Telecommunications Certificates of Authority to Provide Local Exchange Service" Docket No. 5778-U. In that response, NEXTLINK Georgia indicated that it is not providing service to customers at this time and that its network and switch are under construction.

NEXTLINK intends to build four additional networks this year, serving 12 new markets, including the Atlanta, Georgia market. In each of its markets, NEXTLINK competes with the incumbent local exchange carrier by offering high quality local, long distance and enhanced telecommunications services at competitive prices.

Because NEXTLINK Georgia only recently established a presence in Georgia, this is its first appearance in this proceeding. Consequently, NEXTLINK Georgia has not had the opportunity to date to comment on BellSouth's 271 application in this state. NEXTLINK Tennessee, on the other hand, has more experience than any other facilities-based carrier in competing with BellSouth in Tennessee. As detailed below, NEXTLINK Tennessee's experience with BellSouth's systems and processes led it to oppose BellSouth's Section 271 application before the Tennessee Regulatory Authority. NEXTLINK Tennessee proffered detailed testimony in that proceeding to support its conclusion that BellSouth failed to meet the competitive checklist and had not yet opened the Tennessee market to full and irreversible competition. As BellSouth has admitted, "BellSouth's processes for ordering, provisioning, maintaining and repairing network facilities and services is identical in all nine states" in the BellSouth region. (Affidavit of W. Keith Milner, May 22, 1998, Docket No. 7253-U, p. 2, paragraph 5). Because BellSouth's systems and processes are identical for Tennessee and Georgia, NEXTLINK Georgia believes that NEXTLINK Tennessee's testimony in the Tennessee 271 proceeding is highly relevant to consideration of BellSouth's 271 application in Georgia and requests that the Commission consider it here. Copies of the testimony referenced herein are included in this filing.

In addition to its experience with BellSouth's systems in Tennessee, NEXTLINK Georgia has experienced difficulties in obtaining interconnection and collocation from BellSouth in Georgia. The obstacles that NEXTLINK Georgia has had to overcome simply to prepare to enter the Georgia market are harbingers of the systemic problems that plague BellSouth's operational support systems throughout its region.

NEXTLINK Georgia respectfully requests that the Commission take into account its position as a new entrant into the marketplace and consider the valuable information it has to offer regarding the status of competition in the BellSouth region. NEXTLINK Georgia believes that the facts will lead the Commission to conclude that BellSouth's Section 271 application is premature and should be denied.

Interconnection (Checklist Item 1)

As a facilities-based provider of local services, NEXTLINK must interconnect with BellSouth's network so that its customers can complete calls to and receive calls from people on BellSouth's network, as well as interexchange carriers. BellSouth does not yet provide interconnection in compliance with the requirements of the Act. NEXTLINK Tennessee has experienced five major network outages in Tennessee due to BellSouth's errors. Further, BellSouth has insisted on interconnection arrangements in Tennessee that degrade NEXTLINK's service and result in significant blocking of calls to and from NEXTLINK's customers.

Network Outages: On at least five separate occasions, BellSouth has blocked the ability of NEXTLINK's customers in Tennessee to make or receive telephone calls. Despite BellSouth's repeated assurances that the underlying causes of these outages had been resolved, BellSouth continues to make the same mistakes. NEXTLINK therefore must conclude that they evidence a systemic problem with BellSouth – BellSouth simply does not view resolving these problems as an urgent matter, unlike outages affecting its own retail customers. Details regarding these outages are set forth in the Land Testimony at pp. 5- 8, and summarized below:

Date	Outage Duration	Details
2/28/97	1.5 hours	NEXTLINK Tennessee customers could not receive calls from any other provider, including BellSouth. BellSouth admits that it incorrectly coded tables in one of its switches.
5/29/97	2 hours	NEXTLINK Tennessee customers cannot receive long distance calls. BellSouth acknowledges that it incorrectly routed NEXTLINK incoming toll traffic to an inactive trunk group.

6/24/97	2.5 hours	NEXTLINK Tennessee customers cannot make any calls using the BellSouth network. BellSouth admits that it made changes to the codes for NEXTLINK Tennessee's SS7 traffic.
9/15/97	.5 hours	NEXTLINK Tennessee customers cannot receive calls from BellSouth customers. BellSouth omitted NEXTLINK Tennessee routing codes when it update a routing table.
12/17/97	10 hours	NEXTLINK Tennessee customers could not receive incoming long distance calls processed through one of BellSouth's access tandems. It appears this was caused by another BellSouth error.

Call Quality/Blockage: Commencing in 1996, NEXTLINK Tennessee has requested that BellSouth permit it to interconnect directly with BellSouth's end offices rather than through an access tandem. Until recently, BellSouth has refused. Even then, BellSouth agreed to interconnection at the end office only when blockage at the access tandem affected BellSouth's own toll traffic. This required interconnection at the access tandem has resulted in degraded call quality and trunk blockage. For example, routing calls through the access tandems causes a signal loss of approximately 3 decibels. This signal loss is noticeable on voice calls and experienced by callers as increased echo. Moreover, such signal loss causes problems in the operation of modems and fax machines. Land, pp. 10-11.

Further, although NEXTLINK Tennessee has provided traffic forecasts to BellSouth, BellSouth has refused to provide adequate trunking to its access tandems for BellSouth traffic destined for CLEC switches until blockage on such trunks has far exceeded the maximum blockage level that BellSouth applies to its own trunks. Thus, although BellSouth engineers its own network to avoid blocking on most trunks that exceeds 3% of calls attempted during the

“busy hour,” BellSouth permitted blocking on at least one of the trunks serving an access tandem to reach 6.6% during the busy hour, and did not place additional trunks to relieve the problem for two months. NEXTLINK continues to experience high levels of blocking on these trunks. Land, pp. 11-12.

Collocation: NEXTLINK Georgia has experienced a number of problems obtaining collocation in the Atlanta market. Collocation was among the issues that NEXTLINK Georgia and BellSouth were considering during interconnection negotiations, but the negotiation process became so time consuming that NEXTLINK Georgia decided to order collocation directly out of BellSouth’s SGAT so that it could meet critical deadlines for getting into the Atlanta market. BellSouth initially accepted NEXTLINK Georgia’s applications for collocation, along with the required collocation fees, and responded to those applications requesting a Firm Order. BellSouth, in the middle of the process, however, returned NEXTLINK Georgia’s Firm Orders, citing lack of a collocation agreement. When asked by NEXTLINK Georgia personnel why collocation could not simply be ordered out of the SGAT, BellSouth’s personnel initially responded, “What is an SGAT?” NEXTLINK Georgia’s employee explained, and BellSouth responded that the SGAT lacked sufficient terms and conditions for collocation. Because the SGAT was unavailable for collocation, NEXTLINK Georgia then agreed to a compromise collocation agreement, only to have BellSouth attempt to then change the clear meaning of an important provision of that agreement, based on what BellSouth stated it had meant at the time of negotiation. These problems are set forth in the Affidavit of R. Gregory Breetz, Jr., a copy of which is attached.²

² Other problems NEXTLINK has experienced obtaining interconnection are also set forth in Mr. Breetz’s Affidavit.

Unbundled Network Elements (Checklist Item 2)

As a facilities-based provider of local service, NEXTLINK requires nondiscriminatory access to unbundled network elements, especially unbundled loops, in order to provide service to its customers and introduce local competition on a broader scale. NEXTLINK addresses the problems it is having obtaining local loops from BellSouth as part of Checklist Item 4. In this section, NEXTLINK addresses BellSouth's failure to provide nondiscriminatory access to its operational support systems ("OSS") and its refusal to agree to performance standards to ensure its provision of nondiscriminatory access to its services and elements in accordance with the Act.

OSS: BellSouth must provide nondiscriminatory access to its OSS, not only because OSS is an unbundled network element, but also because such access is a necessary part of BellSouth's provision of the Act's required services and network elements.

NEXTLINK Tennessee presently sends orders to BellSouth via facsimile. When BellSouth's EDI interface became available for ordering in October 1997, NEXTLINK Tennessee considered using this interface to send orders electronically, and began testing the interface in January 1998. Based on that testing, NEXTLINK Tennessee determined that the EDI interface is too cumbersome and inefficient for NEXTLINK Tennessee to use. Dickinson p. 7.

The manual, facsimile process is by no means an efficient way to place orders. Often, BellSouth will reject an order that, in fact, contains no errors. Dickinson, p. 9. Further,

although NEXTLINK Tennessee must resubmit an order that has been rejected, BellSouth often rejected orders without notifying NEXTLINK Tennessee. In order to correct this BellSouth deficiency, NEXTLINK Tennessee had to adopt a practice of telephoning BellSouth representatives to determine the status of each order the day after the order is submitted, thereby diverting resources that could – and should – be used to offer customers a choice in local service providers.

Although it agreed in its interconnection agreement with NEXTLINK Tennessee to provision all unbundled local loops within seven business days, BellSouth has ignored this contractual commitment and established the following arbitrary target intervals:

1-5 loops	5 business days
6-14 loops	7 business days
>14 loops	To be negotiated

By contrast, BellSouth can provide a new loop to its customers within one-to-two days. It takes NEXTLINK Tennessee a day just to find out if its order has been accepted by BellSouth.

Based on NEXTLINK Tennessee's experience, it takes BellSouth only 2-3 days to provide service to a customer BellSouth wins back from NEXTLINK Tennessee. Dickinson, pp. 11-12.

BellSouth has taken advantage of these provisioning delays to short circuit the competitive process. BellSouth has contacted customers who have chosen to use NEXTLINK Tennessee in an effort to persuade those customers to stay with BellSouth. Dickinson, p. 2. They have been contacted by BellSouth shortly after NEXTLINK Tennessee has requested their customer service records ("CSRs") from BellSouth, and many have been offered special deals to stay with BellSouth. Dickinson, pp. 5-6.

BellSouth also has not provided accurate timely billing to NEXTLINK Tennessee. As a result, NEXTLINK Tennessee has been forced to assign two employees full-time to review and

correct BellSouth billing errors, which include incorrect data entry, incorrect start dates for circuits, and billing NEXTLINK Tennessee for certain services, e.g., maintenance contracts, that BellSouth still provides directly to NEXTLINK Tennessee customers. NEXTLINK Tennessee has attempted to address these issues directly with BellSouth, but BellSouth has missed all of the milestones and projected completion dates. Moreover, BellSouth has threatened to stop taking NEXTLINK Tennessee orders unless NEXTLINK Tennessee paid such disputed billing amounts. Breetz, pp. 5-6.

Performance Measures: In order to ensure BellSouth's compliance with the competitive checklist, NEXTLINK believes that BellSouth must be subject to performance standards that are disaggregated, measured and reported for each CLEC on a state-by-state basis, and further disaggregated by residential and business services. BellSouth's performance must be measured against individual incident and general parity standards. Such performance standards must also compare the service that a CLEC receives to that BellSouth provides itself, its subsidiaries, and its end user customers. Failure to meet such performance standards should result in substantial penalties, and the performance standards and remedies must be self-enforcing. Adherence to such performance standards must be a prerequisite of any interLATA relief. Breetz, pp. 10-12. Of critical importance to NEXTLINK are performance measures relating to loop quality and provisioning intervals, repair and maintenance of loops, provisioning and quality of interconnection trunking, and intervals for construction and implementation of collocation. *Id.* at 12. BellSouth has consistently rejected all of NEXTLINK Tennessee's proposals for either benchmarks or meaningful remedies. *Id.* at 10.

Rights of Way (Checklist Item 3)

no comments

Unbundled Local Loops (Checklist Item 4)

Loop Cutovers: In the course of provisioning an unbundled loop to NEXTLINK in Tennessee, BellSouth frequently disconnects the customer's phone service before the cutover to NEXTLINK is scheduled to occur. The most common cause of this problem appears to be a failure of the BellSouth UNE technicians to notify the central office when a cutover has been rescheduled, so that other technicians disconnect the customer's lines at the originally scheduled cutover time. Dickinson, p. 16. This leaves the customer without any phone service - BellSouth's or NEXTLINK's -- often in the middle of a business day. Dickinson p. 14. For example, one NEXTLINK Tennessee business customer had 30 lines disconnected for three (3) hours by BellSouth in the course of provisioning a single unbundled loop to NEXTLINK. Dickinson Ex. 5, p. 5. On another occasion six (6) businesses were all taken out of service at one time by BellSouth for three (3) hours.. Id., Ex. 4, p. 2. Numerous examples of these customer disconnections, which not only cut off the customer's service, but also delay the conversion of the customer to NEXTLINK, are in the record. This evidence is undisputed by BellSouth. Indeed, the record contains correspondence from BellSouth to NEXTLINK acknowledging such disconnections.

Loop cutovers require that the customer, a BellSouth technician in the BellSouth central office, the NEXTLINK project coordinator, and a NEXTLINK technician at the customer premises be available to accomplish the transfer. Because coordination among the parties is essential, the interconnection agreement entered into between NEXTLINK Tennessee and BellSouth required BellSouth to complete the cutover within one hour of the scheduled time. Dickinson, pp. 10-11. Unfortunately, a substantial percentage of NEXTLINK Tennessee's cutovers do not occur as scheduled, and, most of the time, the

failure to meet the scheduled cutover is due to BellSouth problems and errors. *Id.* at 13.

For example, BellSouth on numerous occasions has failed to make a scheduled cutover because it has scheduled the cutover at the same time it has scheduled backing up computer tapes in the applicable central office. This problem still exists, and BellSouth continues to miss or severely delay promised cutovers because of back-up taping. Dickinson, p. 14. In addition, a BellSouth technician frequently will be unavailable to perform the cutover because the technician has no record of the scheduled cutover or is performing other work for BellSouth. More often than not, BellSouth does not inform NEXTLINK that its technician is unavailable until the time the cutover is scheduled to occur, or sometimes not at all. BellSouth's failure to meet its cutover commitments is summarized at pp.17-18 of the Dickinson testimony.

The extent of BellSouth's failure to meet its cutover commitments is not reflected in the data BellSouth reports which suggest a 95% met appointment record. Dickinson p. 19. BellSouth considers a cutover to be timely if it is completed the same day, regardless of how much BellSouth misses the scheduled cutover time. For example, under BellSouth's method of record keeping, a cutover scheduled for 11:00 am which is delayed until 6:00 pm is considered a "met appointment" by BellSouth. By contrast, NEXTLINK's statistics for Tennessee show that BellSouth, in fact, missed almost 20% of its provisioning commitments in October, 1997, the same month for which BellSouth reported a 95% met appointment rate. Almost all of the unbundled loops provisioned by BellSouth in Tennessee were provisioned to NEXTLINK. Dickinson, p. 19.

Collocation Restriction: BellSouth now requires that NEXTLINK Tennessee and NEXTLINK Georgia be collocated in the BellSouth central office remote switch that serves a

customer before they may have access to the customer's loops. This is a change in policy that makes it economically impossible for NEXTLINK to serve many customers within the BellSouth region. In the past, BellSouth would permit NEXTLINK to have access to loops serve by remote switches by collocating at the host switch and purchasing transport from the remote switch to the host switch. In January 1998, BellSouth changed its policy and insisted that NEXTLINK be collocated at every remote switch instead of the host switches. Land, pp. 14-16. This "policy" change imposes significant technical and financial limits on NEXTLINK's ability to provide competitive services to customers within the BellSouth region. There is no technical reason that NEXTLINK must be collocated at a BellSouth central office to gain access to an unbundled loop served by a remote switch. *Id.* at 19.

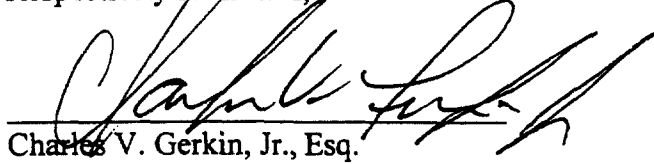
IDLC Loops: Integrated digital loop carrier ("IDLC") is a forward-looking digital technology that offers distinct technical advantages over older, analog service. Further, BellSouth and other ILECs are increasingly deploying IDLC. Yet, BellSouth claims that it is not technically feasible to provide NEXTLINK with access to IDLC loops. Instead, BellSouth has offered only to provide alternate copper or universal digital loop carrier facilities, where available. Land, pp. 20-23. These are not realistic alternatives.

If spare copper facilities exist, they have been abandoned by BellSouth and, most likely, are facilities whose quality has been compromised. Even where copper facilities in good condition exist, copper analog service is not of the same quality as digital service provided by IDLC. Where such facilities do not exist, BellSouth intends NEXTLINK to pay to construct alternate facilities, which can take three weeks or more. By contrast, BellSouth can begin to provide service to a customer on IDLC with a simple computer key stroke. Land, pp. 21-22.

Conclusion

For the foregoing reasons, the Commission should find that BellSouth has failed to meet the competitive checklist set forth in Section 271 and has not opened its local market in Georgia to competition. Accordingly, the Commission should recommend that BellSouth's 271 application to enter the in-region InterLATA services market in Georgia be denied.

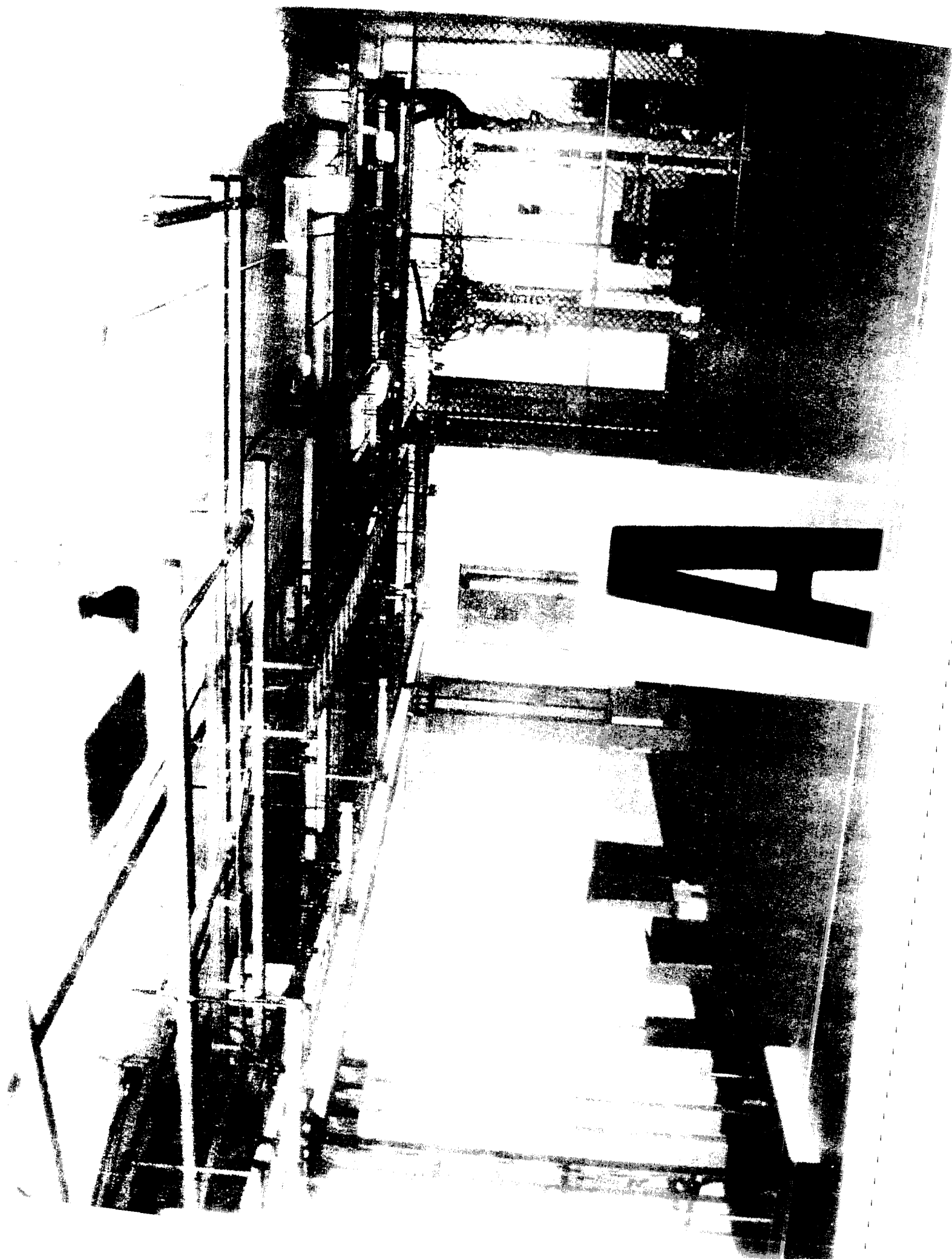
Respectfully submitted,



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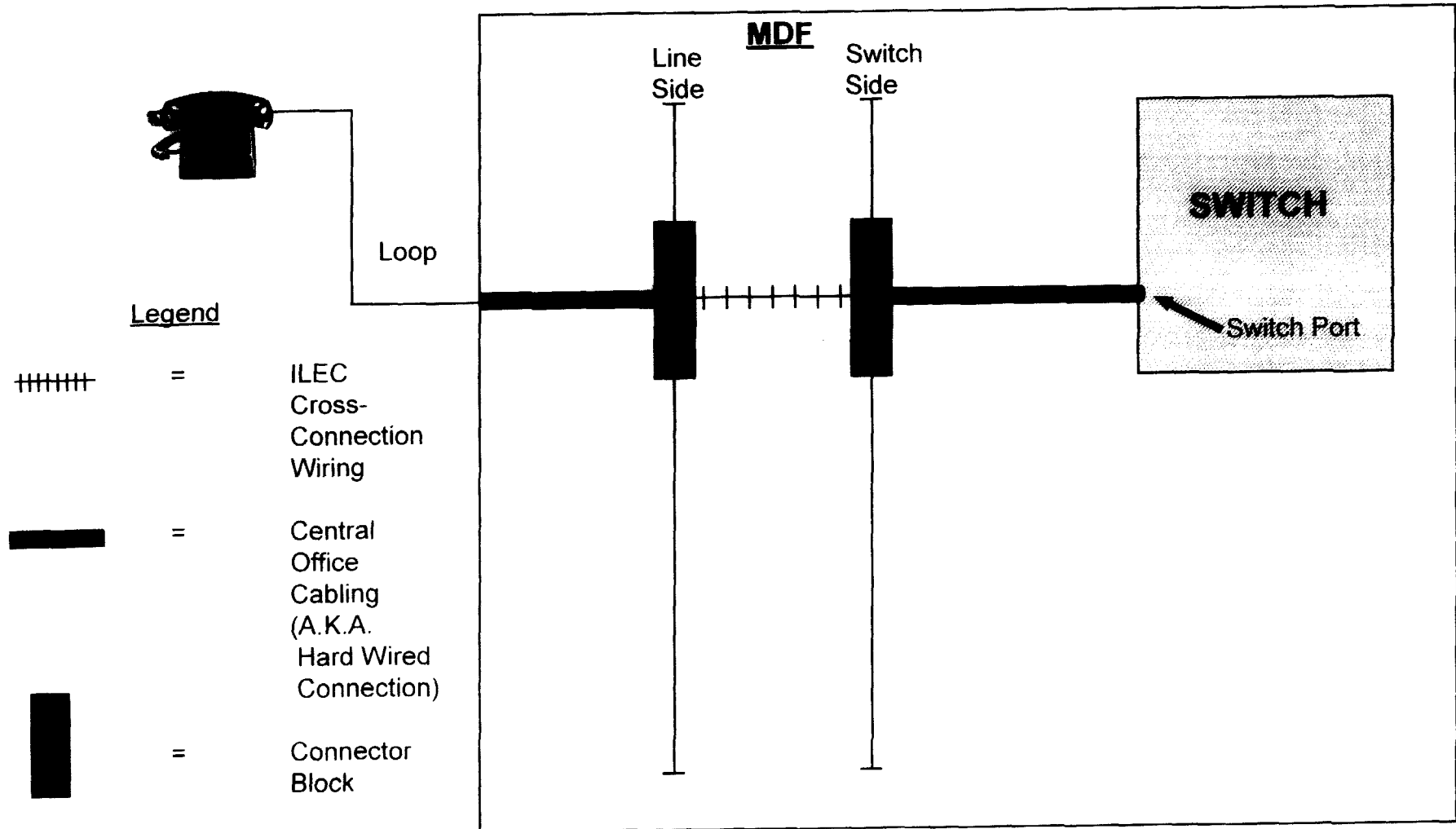
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ATTACHMENT 4



ATTACHMENT 5

Figure 1
ILEC Loop And Switch Port Configuration
(Without IDF)



ATTACHMENT 6

